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Spotlight

ON FOREIGN MARKETING

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TO FAS MARKET DEVELOPMENT COOPERATORS AND AGRICULTURAL ATTACHES

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BILLION DOLLAR CLUB

Three agricultural commodity groups made the Billion Dollar Club in fiscal year 1965-66.

Feed grain exports are estimated at a whopping \$1.35 billion, a new record, up about \$410 million from the preceding year.

Soybeans and products touched the scale at slightly over \$1 billion, up about \$150 million from 1964-65.

Wheat and products registered \$1.4 billion, a gain of around \$160 million over the past year.

Almost all of the soybean and products and over 90 percent of the feed grain exports were for dollars. Approximately two-thirds of the wheat and products exports were under government programs, but practically all of the export gain over 1964-65 was in dollar sales.

POULTRY BARBECUE CAMPAIGN UNDERWAY IN GERMANY

American style poultry barbecues are being introduced to the people of West Germany.

As part of a campaign to increase consumption of U.S. poultry in Germany



Germans try their skill at barbecuing American poultry. The event was part of IAPI's current promotion to increase consumption of U.S. poultry in Germany during the summer months.

during the summer months, the Institute of American Poultry Industries staged six barbecue parties to which the press, trade, chefs and various government officials were invited.

Peter Pohl, country director for IAPI in Frankfurt, writes:

"We found that on the average the guests consumed about 2.5 pounds of poultry each. We served fryer legs and breast with suitable sauces, two types of turkey salads from turkey rolls, turkey breast steaks and whole barbecued turkey, part of which we

used to show how to make turkey sandwiches.

"All guests who wanted to try their luck at the grill were supplied with special hats and aprons, which they kept as a souvenir. The two barbecue units—each one capable of feeding about forty people, had to be especially built for us since no suitable equipment was available from commercial sources. Quite a few caterers offered to buy them from us on the spot."

The summer campaign includes advertising and a colorful poultry barbecue brochure to which over 5,000 requests have been received to date.

BRAND ADVERTISING

A pilot cooperative advertising program for private brands of fresh frozen Florida orange juice was described by Frank D. Arn, Advertising Director, Florida Citrus Commission, at the July 26 cooperator luncheon.

A study by Atwood Research Limited showed that frozen orange juice offered a great sales potential in the United Kingdom. A cooperative advertising program whereby the distributors would be actively promoting their own brands was indicated to be the best means of accomplishing this objective.

A cooperative program of newspaper advertising, coupon premiums and point-of-sale merchandising, was worked out. Costs are shared equally by overseas distributors, the Florida Citrus Commission, and FAS. The operational plan is similar to cooperative advertising programs the Commission is conducting with distributors in the U.S. Advertising for the private brand is permitted but with the stipu-

lation that the word Florida must be conspicuous in all advertisements and labels. Copy is checked by the advertising agency and other safeguards and regulations are drawn up to protect the parties to the agreement.

The experimental program was launched on April 1 this year with the U.K.'s largest distributor of frozen orange juice and will extend over a 15-month period.

STATE GROUPS TAKING PART IN MUNICH FOOD EXHIBIT

Seven States will join with food industry groups in the U.S. exhibit at the IKOFA (International Exhibition of Groceries and Fine Foods) at Munich, West Germany, September 17-25.

States that will display their distinctive foods at Munich are Maine, New York, Pennsylvania, Illinois, Michigan, Minnesota, and Louisiana.

State participation in the IKOFA show is the newest indication of State interest in overseas agricultural markets. An increasing number of States are sending agricultural trade missions abroad, some have established export expansion divisions in their departments of commerce, and two—New York and Virginia—maintain overseas offices at Brussels.

Cooperators having exhibits in the IKOFA exhibition include the National Pecan Council, National Dry Bean Council, California Raisin Advisory Board, Florida Citrus Commission, National Peanut Council, Soybean Council of America, U.S. Rice Council, USA Dry Pea and Lentil Council, Institute of American Poultry Industries, and National Cannery Association.

Like other large food shows in recent years, the IKOFA exhibit will have a "trade only" area where admission is limited to visiting trade representatives. Space is available to accommodate up to 100 firms, including facilities for displaying their individual merchandise lines. At previous exhibitions, trade areas have been highly successful in developing new business. At the 1965 ANUGA show at Cologne the some 65 participating firms reported actual sales of \$750,000 and a projected figure of \$3.5 million.

"Transportation" will be the theme of the 1966 Munich show. In line with that theme, U.S. airlines serving Europe will have special exhibits of U.S. fruits, vegetables, flowers, and other products from various producing areas in the United States. The exhibit also will focus attention on truck, rail, and ocean transportation of containerized shipments.

THAI LIVESTOCK TEAM

A 2-man Thai livestock team was in the U.S. last month buying 100 head of registered Santa Gertrudis and Brahman cattle to build up herds in Thailand.

Arrangements for the team were worked out by the Livestock and Meat Products Division. FAS paid the international transportation; all other costs of the team were borne by the Thai government and cooperating U.S. breed associations.

The Santa Gertrudis was the first of this breed to be sold to Thailand. Before coming to America, the team ordered 35 heads of U.S. Landrace hogs, also the first of this breed to go to Thailand.



Tom Templeton, the new assistant marketing director for Wheat Associates in Tokyo.

WHEAT ASSOCIATES OPENING OFFICE IN TAIWAN

The Agency for International Development has cited the opening by Wheat Associates of an office in Taiwan as a good example of the growing shift from aid to trade among countries whose imports from the United States were once largely from U.S. government programs.

The July issue of the AID publication, Food for Freedom, states: "Six years ago Taiwan's imports of U.S. farm products were almost entirely noncommercial. Now over half of its sharply increased farm imports are for dollars. Biggest agricultural import last year was wheat with shipments almost double those of 10 years ago."

The article goes on to tell of the impact on the Taiwanese of the 2-year pilot school lunch program started in 1964 in which its Wheat Associates

Tokyo office is participating. Joellene Vanoy, nutritionist and home economist for Wheat Associates who inspected the program recently, reports: "During an 8-year period it has been my privilege to work with school lunch programs in many countries. Beyond a doubt, more progress has been made in a shorter period of time in Taiwan than anywhere else."

The Taiwan office of Wheat Associates will be opened in September and will be headed by Winn Tuttle, who for the past three years has been stationed in Washington as the program coordinator for Western Wheat.

COOPERATOR MARKETING PLANS

A total of 107 country and/or regional marketing plans covering the planned FY 67 foreign market development operations of 15 cooperator organizations have been reviewed in FAS. The operations involve over 37 different countries.

A few main highlights of the planned activities of the major cooperators operating on a fiscal year basis are as follows:

Western Wheat Associates will be continuing work with millers, noodle manufacturers, confectioners, bakers and other processors to increase consumption of wheat in the Far East. Educational activities with cooperating trade groups in Japan will continue to receive major attention. An office will be opened in Taiwan to handle the expanded activities in that country. The program in the Philippines will be expanded as a result of increased 3rd party cooperator support.

Great Plains Wheat will be working primarily with the trade in Western Europe, the United Kingdom, and several Latin American Countries to provide market information and technical training to the milling and baking industries. The program in the Netherlands will be stepped up through 3rd party agreements with two leading Dutch bakeries. The toast bread program in West Germany will be continued. Baking schools and team visits to the U.S. are planned for several countries.

The Soybean Council program will be giving major emphasis to educational and promotional activities in leading dollar markets. In Spain a consumer promotion program for soybean oil is under consideration. In other leading dollar markets, such as West Germany and the United Kingdom, the emphasis will be on increased usage of soybean meal in mixed feeds and increased use of soybean oil in salad oils and margarine manufacture. In concessional markets such as India and Pakistan the programs will be confined to assisting the trade in the proper methods of handling and processing vegetable oils.

The U.S. Feed Grains Council will be relying heavily on educational programs for increased use of high energy grains in livestock feeding, using feeding demonstrations to publicize the value of these practices. In Japan, considerable emphasis will be on cooperation with the government and manufacturers of compounded feeds in helping promote increased poultry, egg, and red meat production and consumption. These activities are expected to create additional Japanese needs for

feed grains to be supplied largely from U.S. sources.

The Rice Council is planning to expand its consumer advertising in the United Kingdom and Belgium. The program in West Germany will be somewhat intensified through assistance from the German rice millers. Press servicing, trade exhibits, and educational work with feeding establishments and schools will continue to receive major emphasis in these and other countries.

National Renderers Association will be continuing a "Wash Your Hands with Soap" campaign in Japan to stimulate increased usage of tallow. Promotion stickers, car cards in buses, radio and TV broadcasts, and booklets for school children and distribution by health centers, are among the techniques being used. In Europe, the main emphasis will be on the increased use of tallow in milk replacers for calf feeding, mixed feeds for poultry and livestock, soap manufacture and chemical industries.

The Institute of American Poultry Industries is planning continued program emphasis on turkey and chicken parts and further processed poultry items such as turkey roasts and turkey and chicken rolls. Demonstrations for the hotel and restaurant trade will continue to be among the major program activities. A chicken barbecue campaign is planned in Germany. Slightly enlarged programs are expected in the United Kingdom and Hong Kong.

The Cling Peach Advisory Board will be promoting canned peaches and fruit cocktail in western Europe, principally through consumer advertising, in-store promotion, and cooperative advertising with compatible U.S. pro-

ducts such as cream cheese. In the United Kingdom, where the canned peach market is preempted by commonwealth countries, the major emphasis is on fruit cocktail.

The California Raisin Advisory Board will be promoting through consumer advertising, recipes, in-store promotions, and educational programs with bakers and confectionary groups. The emphasis will be on increased use of raisin bread, popularization of out-of-hand eating and increased use of raisins in various food dishes.

SPECIALTY FOODS PROMOTION

Manufacturers, processors, and distributors of certain U.S. specialty food products will be participating in a market promotion exhibition of the U.S. Trade Center in London, October 4-13, 1966.

The exhibit will be open to all U.S. suppliers of poultry products of an unusual or specialty nature, wines, consumer packages of specialty cheeses, and certain selected nuts.

These special categories of food products were selected as the result of a comprehensive market survey in the U. K. which showed that there is a potential market for products of this nature. The U. K. is already one of the largest foreign markets for all types of American food and agricultural products, and consumer demand is growing rapidly for specialty products.

As in previous exhibits of this type, the participating firm will receive display space without charge but will be expected to furnish product samples and a personal representative to deal with the visiting trade.

NEW TRADE COOPERATOR

The National Peanut Council, with headquarters at 1120 Connecticut Avenue, N. W., Washington, D.C., recently became a market development cooperator.

Activities started with an exhibit at the May 10-20 Grocers Exhibition in Manchester. Other exhibits are planned at the Munich IKOFA exhibition next month and at the London Trade Center in October.

The main thrust of the program, at least for the time being, will be in the United Kingdom, the Netherlands, and West Germany. Later, the program may be extended to other Western European countries and Japan.

The United States is presently supplying about 20,000 tons or about one-third of the peanuts and peanut products consumed in Western European countries.

U.S. peanut exports have risen from 4 percent of production in 1960 to almost 10 percent last year. Further gains are expected as the market development program gets underway.

SOYBEAN OIL PROMOTION PLANNED IN JAPAN

The American Soybean Association is working out plans with the Japan Oilseed Crushers Association for a consumer promotion program for soybean oil. A U.S. team composed of Chester Randolph, ASA; Robert Blake, international marketing consultant and

former president of Minute Maid International; and George Parks, FAS, were in Japan last month to make the preliminary arrangements.

ASA Executive President George Strayer sees a "potential far beyond anything which we have reached up to the present time."

Japanese nutritionists are recommending that the present per capita consumption of edible oil be increased from 15 to 30 pounds per year. The major part of this increase would be expected to come from American soybeans.

Usage of soybean meal in Japanese feeds has increased spectacularly in recent years. ASA is hopeful that the consumer promotion program will bring about a corresponding increase for soybean oil, now available in large quantities as a result of the increased Japanese crushings of soybeans for soybean meal.

WHEAT IN SWITZERLAND

It often takes time to develop a market. For years Great Plains Wheat has been trying to develop a market for U.S. wheat in Switzerland. Little apparent progress was made until late 1965 when a U.S. wheat team visited the country to convince the Swiss Cereals Administration of the merits of Dark Northern Spring wheat. The Swiss finally became interested and in January this year sent a team of industry officials to the U.S. to study the situation. A sale of 20,000 tons was consummated, and all indications now point to additional sales and an expanding market for both U.S. Northern Spring and Hard Winter wheat in Switzerland.



HERE and THERE

Three important soybean meetings will be taking place this month: (1) the annual board meeting of the Soybean Council of America in Chicago, August 16; (2) the convention of the American Soybean Association in Des Moines, August 17-19; and (3) the annual meeting of the National Soybean Processors Association in French Lick, Indiana, August 21-23.

Joe Spiruta, Marketing Director, USA Dry Pea and Lentil Council, will be in Japan next month to work out plans for a "soft American peas" campaign, then on to Munich for the cooperators dry pea and lentil exhibit at the IKOFA fair, followed by a visit to Spain to investigate the changing market opportunities in that country.

Dave Hume, FAS Assistant Administrator for Export Programs, will be in Tokyo, August 12-24, for the Processed Foods Show and to review program activities of the cooperators; Taipei, August 24-26, to check on the market opportunities in Taiwan; Hong Kong, August 26-31, for the processed foods and poultry show; Manila, August 31-September 4, to check on possible opportunities in that market; and in Tokyo again, September 4-6, for the U. S. poultry show.

Dairy Society International has initiated a newsletter, The Dairy Situation Review, for distribution about five times a year to some 200 interested importers through its headquarters in Washington and regional offices in Beirut and Santiago. Emphasis is on news and developments in the U. S. dairy industry of interest to importers of dairy products.

Cotton Council International will be having a fashion press conference at the Cologne Men's Wear Fair August 25, one day before opening of the three-day fair. The 1967 idea collection of men's leisure wear and selected ready-to-wear models will be presented. Trade journalists and garment makers will be attending the event.

Dale Douglas, Country Director for Wheat Associates in New Delhi for the past four years, has joined the FAS Grain and Feed Division as a grain marketing specialist.

The 1968 Olympic Games, scheduled for Mexico City, are expected to include a milk bar for the Olympic participants, similar to that successfully carried out at the Tokyo Olympics. George Weigold, Managing Director of Dairy Society International, was in Mexico City recently to confer with Mexican officials about the project.

